



Norman H. Bangerter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

DOGMI  
MINERALS PROGRAM  
FILE COPY

August 27, 1990

R.J. Ramsey  
Kennecott Corporation  
P.O. Box 311  
Bingham Canyon, UT 84006-0311

Dear Mr. Ramsey:

Re: Reclamation Contract Status, Barney's Canyon Mine, M/035/009, Salt Lake County, Utah

Please find attached a letter from BP Minerals America to Gregory P. Williams, Chairman of the Board of Oil, Gas and Mining dated March 28, 1989. To date, the matter of addressing the letter's suggested language changes in our Reclamation Contract (Form MR-RC) has not yet been resolved. For your convenience a copy of your January 30, 1990 letter addressing this same issue is also attached.

I wish to bring this unresolved matter to your attention in order to complete the Barney's Canyon permitting process. Our Reclamation Contract was revised May 30, 1990 and I have attached a copy of this version for your review. The Board of Oil, Gas and Mining is also being informed of the current status of this matter via memo.

In order to begin this permitting process again, I would ask if Kennecott has the same concerns as stated in the March 28, 1989 letter with this new version of the Reclamation Contract? If you have any questions please feel free to contact

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Kennecott Corporation  
M/035/009  
August 27, 1990

Wayne Hedberg or myself. I have recently joined the Division in place of Scott Johnson and will be the permit lead for operations in Salt Lake County. Thank you for your time and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony A. Gallegos". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anthony A. Gallegos  
Reclamation Engineer

jb  
Attachment  
cc: Lowell Braxton  
Wayne Hedberg  
MNM035009.2

N. KENNECOTT CORPORATION  
BARNEYS CANYON MINE  
P. O. BOX 311  
BINGHAM CANYON, UT 84006-0311  
(801)569-7100

RECEIVED  
JAN 30 1990

KENNECOTT

January 30, 1990

DIVISION OF  
OIL, GAS & MINING

Mr. Lowell Braxton  
Associate Director  
Utah Division of Oil, Gas & Mining  
3 Triad Center - Suite 35  
Salt Lake City, UTah 84108-1203

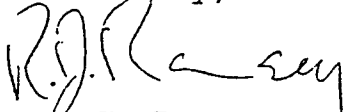
Dear Mr. Braxton:

Enclosed is the 1989 annual report of mining operations (Form MR-AR) for Barneys Canyon Mine. Construction and operation of the mine were begun in 1989, with the first gold pour on September 15. Current activities including mining at both the Barneys Canyon and Melco pits, are described in the revised Notice of Intent submitted to you on October 2, 1989. Reclamation activities have already begun with seeding of those areas disturbed by the construction which will no longer be active.

Also in 1989, a change in ownership occurred. There have been no changes in personnel or operations. A completed transfer of Notice of Intent (Form MR-TRL) is enclosed for your records. A reclamation contract (Form MR-RC) has not been submitted pending follow up from your department on alternate language previously suggested by Kennecott. A rider for the current bond (64S 100507894BCA) reflecting the new ownership is enclosed.

Please feel free to contact me or Ms. Cindy Emmons of the Kennecott headquarters staff should you have any questions regarding the enclosed information.

Sincerely,

  
R. J. Ramsey

cc: E. C. Tingey  
C. S. Emmons



**BP Minerals America**

10 East South Temple  
P.O. Box 11248  
Salt Lake City, Utah 84147  
(801) 322-7000  
FAX (801) 359-8405

**BP MINERALS AMERICA**

RECEIVED  
AUG 08 1989

March 28, 1989

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Gregory P. Williams, Esq.  
Chairman of the Board  
State of Utah  
Division of Oil, Gas & Mining  
136 South Main Street  
Suite 500  
Salt Lake City, Utah 84101

Dear Mr. Williams:

Pursuant to our telephone conversation today, I enclose a copy of the Reclamation Contract and Bond that Kennecott signed in August of 1988, with respect to the Barneys Canyon Project. Also enclosed is a new form of Reclamation Contract sent to us by the State.

Our concern is that the new form incorporates provisions not included in the previous agreement. For example, it does not provide for a reduction in the Bond if portions of the Project are reclaimed. It also includes numerous references to liability (§§ 3, 5, 6 and 9), which were not previously mentioned. Neither form contemplates modification to the Mine Plan or Notice of Intent.

Perhaps you could call me after you have reviewed this. We would like to have a contract as similar to the original contract we signed in August of 1988.

Yours truly,

Earl C. Tingey  
Assistant Chief Counsel

ECT/ssr

Enclosures